

PINAL REGIONAL TRANSPORTATION AUTHORITY

Analysis of Transportation Improvement Program pursuant to Arizona Revised Statutes 48-5304(5)

In accordance with the requirements of A.R.S. 48-5304(5), the Pinal Regional Transportation Authority (PRTA) is publishing this assessment and analysis of the status and implications of its current, adopted transportation improvement program (TIP) on its PRTA Regional Transportation Plan (RTP). In a November 2017 Special Election, the voters of Pinal County approved the RTP and a 20-year sales tax to help fund the roadway and public transportation projects described in that plan. The RTP consists of the three Elements listed below, to be funded over the 20-year life of the tax:

- (1) Roadway Element - \$591.2 million for 13 named roadway projects
- (2) Public Transportation Element - \$20 million for transit, dial-a-ride service and park-and-ride lots
- (3) Local Projects and Administrative Costs Element – at least \$30 million.

The RTP prioritized the 13 named roadway projects into four sequential, five-year phases.

CURRENT ADOPTED TIP: On September 14, 2021, the PRTA Board approved the 5-year TIP for FY 2022 to 2026. This TIP lists PRTA expenditures for all three RTP elements, including Phase 1 and Phase 2 roadway projects, with total expenditures of \$115,810,036 (approximately \$116 million) over the five-year period. FY 2022 began on July 1, 2021, and FY 2026 will end on June 30, 2026.

REVENUES AND EXPENDITURES TO DATE: Collection of the tax began on April 1, 2018, and has generated approximately \$75 million through the end of 2021, but zero dollars of tax proceeds have been made available to PRTA due to a lawsuit filed in January 2018. All PRTA funds have been frozen in escrow since tax collection began more than three and a half years ago. It is hoped that the Arizona Supreme Court in early 2022 will determine that the tax was legal and that the collected revenues could at last be made available for their intended voter-approved purposes.

FUNDING OUTLOOK: The total amount of expected PRTA revenues for FY 2022 to 2026, including funds accrued to date, is estimated to be \$186 million or more. This easily exceeds the amount of PRTA proposed expenditures in the TIP. This revenue estimate is based on projections by a professional economist. Thus, there are expected to be sufficient tax proceeds available to pay all PRTA amounts specified in the TIP and still finish each of the five fiscal years with a substantial cash reserve.

IMPLEMENTATION: With funds finally expected to be available in 2022, the PRTA has developed an Intergovernmental Agreement (IGA) with each local government that is listed as a recipient of PRTA funds in the TIP. It is expected that these IGAs will be executed in January 2022. Through these IGAs, the PRTA will provide the funding amounts specified in the 2017 election publicity materials, and the respective lead agencies will implement the projects.

CONCLUSION: Based on the above facts, the PRTA has not eliminated or reduced voter-approved funding amount for any RTP element or project. Furthermore, it foresees no reason to do so during the five-year duration of the FY 2022 to 2026 TIP.